G. R. S. 58]

Preserve

Previous references.

G. F. 6-21-32

1924-5
(G. F.)

File No. G. F. 74-24
Serial Nos. 3, 5, 7, 9.

Later references.

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 2

(1 16/(1))

Part B for February 1925

SUBJECT

Requests that Govt may be pleased to sanction a scheme of facilities to Govt servants to subscribe for the debenture loan of the Nanjangud-Chamarajanagar Railway & to pay the amount of subscription by monthly deductions from salary in 24 months as was sanctioned in connection with the Indian War Loans and Mysore Govt Loans.

Sheo. 9. To. The President
District Board Mysore
Nº FH 4508 d/ 9.2.25

States that if the Board accepts the conditions already communicated on 16.1.25 arrangements will be made to lend money to Govt employees

B170

AP
9/4

B117

General and Revenue Secretariat. | G 7 1 File No. 74 of 19 24

Serial No. 3

From President, Distt Board, Mysore, X. 1524 of 14.12.24

Requests that Govt. may be pleased to sanction a scheme of facilities to Govt. servants to subscribe for the ~~said~~ Debenture loan of the Nanjangud – Chamarajnagar Railway and to pay the amount of subscription by monthly deductions from salary in 24 months, as was sanctioned in connection with the Indian War Loans & Mysore Govt. Loans.

1) Submitted for orders, with G 7 File 6-21-32, sanctioning certain facilities to Govt. employees for subscribing to the Mysore Loan of 1921.

S

2) It is for the Dt Board to consider & decide what facilities it wishes to offer to Govt Servants intending to subscribe for the loan. If the Dt Board is prepared to offer the same concessions as those given by Govt in respect of the Govt Loan in their notfn No X 285 - G 7 6 - 21 - 32 d/ 20.7.21 = Govt ~~may~~ may undertake to see, that the the instalments in repayment of the advance will be deducted from their pay and remitted to the Dt Bd. May the Presdt of the Dt Board be informed accordingly?

18/12

mad 20/12/24.

Please put up the Gazette in wh- the prospectus is published

X C (Secy)

The Gazette copy is put up. Please see the flag

(E.) 22/12/24

X C Secy

23/12

NOTE. – Contn. Sheet

3) For encouraging subscriptions to the loan, Government may help their employees by giving them advances as was done in connection with the State Loans floated in 1920 and 1921. But condition No.6 of the Prospectus inviting subscriptions to the loan does not fit in with a scheme of advances to Government servants for recovery in 24 months as proposed by the President of the Board. The Board proposes to raise the loan by inviting a first call of not less than 12½ per cent, the other calls being spread over a period of two years. Under this arrangement Government will have to make advances to their employees in respect of each call and if each instalment called up is 12½ per cent, there would be 8 advances to each officer and as many accounts will have to be kept for each subscriber and recoveries in respect of each account watched. This is a very complicated arrangement.

F.U.D.

4) Condition No. 7 of the Prospectus, however, contemplates cases in which Debentures may be paid in full before 11th February 1925. If, therefore, the Board is willing to take subscriptions to its loan from Government employees in full once for all, xxx the concession of advances to them may be allowed on the following conditions:

Limit of advance. Six months' pay

Cash Payment.- With application 3 per cent (with the discount of one per cent, this will amount to 4 per cent.)

Instalments of recovery.- The remaining 96 xxxxx per cent to be paid in 24 instalments of 4 per cent.

NOTE.—Contn. Sheet

Serial No.

16 - J 1925 L858

Rate of interest.- Government may charge 6½ per cent. The Debenture carries 7 per cent subject to tax and the difference between the rate charged by Government and the net rate realised on the bonds may form an inducement to subscribe to the loan. It is usual to allow such a difference in interest as an incentive.

Penal interest.- This may be 8 per cent as in the case of the advances allowed for the State loans.

5) The maintenance of accounts for these advances will involve considerable work and if it has to be done in the Comptroller's Office, the District Board will have to pay for the hands employed upon this work, as there is no justification to throw this expenditure upon Government.

6) The above proposals may be explained to the District Board and if it agrees to them, orders on the lines on which similar concession was allowed in respect of State loans may be issued.

5/1/25

DEWAN.)

7) I agree with the Financial Secretary. The District Board may be informed accordingly.

7 JAN 1925

8) Please write accordingly to the President

7/1/25

7/1

NOTE–Contn. Sheet

4
G.R.S. III-21 GP File No. 74 of 1924

2441

(4) General and Revenue Secretariat

9) Draft submitted for approval

9/1

Issue today

16/1/25

To President, Dt Board, Mysore 5
Ltr no 6071 d/ 16.1.25:
Requests him to place the ~~views~~ proposals of Govt. before the Distt. Board & to forward their views to Govt for orders.

From President, Dt Board, Mysore, No C 1524 d/ 20.1.25.
~~Forwards the Distt. Board~~ his views in the matter of affording facilities to officials for subscribing to the Mysore Dt Board Railway Loan.

10) Submitted for orders with reference to para: 8.

28/1 FC Secy)

30/1/25

NOTE—Contn. Sheet

Serial No.

The points raised by the President in his letter dated 20th January 1925 are noted on below:-

(1) . Government have no objection to advance money to their employees for subscribing to the loan. This has already been intimated to the President.

(2) Government cannot take the benefit of the discount of one per cent. It ought to go to the subscribers.

(3) The Board may deal with Government but ~~the~~ Government have to keep the loan accounts of such of their employees as subscribe to the loan. We know from experience of State Loans that the keeping of loan accounts is a troublesome affair and the Comptroller asks for additional hands. If the arrangement is permitted, it is only reasonable that the District Board Should ~~has to~~ pay for the extra establishment which the Government has to keep for keeping these loan accounts.

(4) If Government charge 7 per cent, there is no inducement to the subscribers to invest in the loan. To charge half a per cent more -- 7 per cent as proposed by the President instead of 6½ per cent at which Government have agreed to lend for this purpose -- is no compensation to Government for keeping the loan accounts.

(5) Once the bonds are purchased, their value should held at the disposal of the Board for

Serial No.

for meeting the Construction outlay ~~of~~ on the line. A particular ~~xxx~~ part of the loan cannot be held separately and made available as the President states "in the last month in which the Board is asked to pay for the Railway Department's bill".

For these reasons, I think it is inconvenient to work the arrangement on the lines proposed by the President. If the Board accepts the conditions already communicated to them, Government may lend to their employees for subscribing to the loan.

31-1-25

31/1

Dewan

I agree; the Prsdt may be informed accdgly

2 FEB. 1925
5561

Inform accly

4th
4.2.25

Draft placed

4

Draft submitted for approval.

6/2

Issue

8/2/25

~~Sent~~ B

9) To President, Distt Board Mysore
Dl 4508 dy 9.2.25. States that if
the Board accepts the conditions already
communicated on 16.1.25 arrangements will be
made to lend money to Govt. employees

NOTE—Contn. Sheet

9.7.[illegible] Urgent

No. C.1524 [illegible]/22:23

President
OFFICE OF THE DEPUTY COMMISSIONER,
MYSORE DISTRICT,

2241

Dated, Mysore, 14th December 1924.

From
A. V. Ramanathan Esq., B.A.,
~~Deputy Commissioner~~, Mysore District.
President District Board

71-74

To
3 M. N. Krishna Rao, Esq., B.A.,
Secretary to the Government of His Highness
the Maharaja of Mysore, Bangalore.
Financial Department.

SIR,

In connection with the Nanjangud Chamarajanagar Railway Debenture 7 per cent Loan prospectus of which is published in the Mysore Guzette dated 11th December 1924, I have the honour to request that the Government may be pleased to sanction a scheme of facilities to Government servants to subscribe for the said Loan and to pay the amount of subscription by monthly deductions from salary in 24 months, as was sanctioned in connection with the Indian War Loans and the Mysore Government 6¼, 6½ and 7 per cent Loans.

[illegible]

I may add that this reference is made at the request

27128

192

From

~~The Deputy Commissioner~~ and
The President, District Board,
Mysore District.

To

The Secretary to the Government
of Mysore, Bangalore.
Financial Department.

Dated } 14th December 22
Despatched }

16. DEC

Received

General No. C. 1524 LB/22-23.
No.

Enclosure No. —

Subject.

Requesting that Government may
be pleased to sanction a scheme of
facilities to Government servants
to subscribe in the Mysore Distric
Board Railway Debenture Loan of 24
by monthly deductions from their
salary.

request of intending subscribers among Government Officers.

I have the honour to be,
Sir,
Your most obedient servant,

President, District Board, Mysore.

9

G. R. S. V. G-32]　　　　　　　　　　　　B50—WD 6527

SUBJECT

Diary No. of letter replied to 2241

Section G D
File No. 74/24
Serial No. 5

General and Revenue Secretariat
(G D)
, the 192 .

No. G.4071

Date of issue 16.1.25

Signed by Mr. M. A. R.

To
The President,
Distt. Board,
Mysore

Sir,

With reference to your letter No. C1524/LB 22-23 d/ 14/12/2 requesting sanction of Govt. for affording certain facilities to Govt. servants to subscribe for the Debenture Loan of the Nanjangud Chamarajnagar Railway, I am directed to observe as follows:—

1) The condition No. 6 of the Prospectus inviting subscriptions to the Loan does not fit in with the scheme of advances to Govt. servants for recovery in 24 months as proposed by you.

~~2)~~ The Board proposes to raise the loan by inviting a ove first call of

not

1.
not less than 12½ p.c. the other calls being spread over a period of two years. Under this arrangement Govt. will have to make advances to their employees in respect of each call & if each instalment called up is 12½ p.c. there would be 8 advances to each officer and as many accounts will have to be kept for each subscriber and recoveries in respect of each account watched. This appears to be a very complicated arrangement.

2). Condition No 7 of the Prospectus, however contemplates cases in which Debentures may be paid in full before 11th February 1925. If therefore the Board is willing to take subscriptions to its Loan from Govt. employees in full once for all, the concession of advances to them ~~will~~ may be allowed on the following conditions:—

Limit of advance:— Six months pay.

Cash Payment:— with application 3 p.c. (with the discount of 1 p.c. this will amount to 4 p.c.)

Instalments of Recovery:— ~~The~~ The remaining 96 p.c. to be paid in 24 instalments of 4 p.c.

Rate of interest to be charged on the advance to be ~~Govt. may charge~~ 6½ p.c. ~~The~~

Debenture

G. R. S. G/33]

GENERAL AND REVENUE SECRETARIAT.

(*Continuation sheet draft form.*)

~~Debenture carries 7 p.c. subject to tax and the difference between the rate charged by Govt. and the net rate realized on the bonds may form an inducement to subscribe to the loan. It is usual to allow such a difference in interest as an incentive.~~

Penal interest

It ~~This may~~ be 8 p.c. as in the case of advances allowed for ~~the~~ State Loans.

3) The maintenance of accounts for these advances will involve considerable work & if it has to be done in the Comptroller's Office, the Dt. Board ~~will have~~ should ~~to~~ pay for the hands employed upon this work, ~~as there is no justification to throw this expenditure on Govt.~~

(4). I am to request that the above proposals may be placed before the Distt Board and

and if it agrees to them, orders on the lines on which similar concession was allowed in respect of State Loans will be issued by Govt.

their views obtained in the matter.

I have etc.,

16/3/25

For Jt. Secretary

18/1

31745

G.F.74-24-7.

No.C.1524 LB
22-23

FINANCE SECRETARIAT. 23 JAN 1925

Office of the President, District Board,
Mysore District,
Dated, Mysore, the 20th January 25.

DIARY No. 2709

From

A. V. Ramanathan, Esq., B.A.,
President, District Board of Mysore,
Mysore.

23 JAN 1925

To

Rajakaryaprasakta
M. N. Krishna Rao, Esq., B.A.,
Secretary to the Government of His Highness
the Maharaja of Mysore, Financial Department,
Bangalore.

FIN. SECRETARIAT. 24 JAN 1925

Sir,

I have the honour to acknowledge receipt of your letter No.Fl. 4071/G.F.74-24-5 dated the 16th January 25 and to state in reply as follows:-

(1) The idea was that the Government would subscribe for the full amount in each case and recover the amount in instalments from each subscriber, thus affording facility to their employees for investment.

(2) The Government will get the benefit of the discount, but the subscribers would pay four per cent in advance with application and the balance in 24 monthly instalments.

(3) The Board would deal with the Government and not with subscribers and there would be no justification to charge the cost of establishment on the Board.

(4) The Government may charge 7 per cent on the advances and 8 per cent penal interest.

(5) The Board will not ask for cash for the bonds taken by the Government, but the Comptroller may be directed to give credit in his books to the necessary extent and the Board will agree to that amount being adjusted for the Railway expenditure in the last month in which the Board is asked to pay for meeting the Railway Department's bill. By such

From

The President,
District Board of Mysore,
Mysore.

To

The Secretary to the Government of
H. H. the Maharaja of Mysore,
Financial ~~Departments~~,
Bangalore.

Dated 20th January 25.

Despatched 21st January 25.

Received

General No.C.1524/L.B.22-23.

Enclosure No.

Subject.

Soliciting orders in the matter of creating facilities to officials for subscribing to Nanjangud-Chamarajanagar Railway Debenture Loan.

an arrangement; Government will not be saddled with an immediate cash liability while it will have given their employees a good opportunity for investment and the Board will not lose.

As the District Board met only on the 10th January and will not meet till 4th April and as the Board has authorised me to make all arrangements in connection with the loan, I request that the above arrangements may kindly be considered and sanctioned by the Government early.

I have the honour to be,
Sir,
Your most obedient servant,

President,
District Board of Mysore.

BSS.

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

FINANCIAL SECRETARIAT,

Bangalore, Dated, 9-2-1925

No. H4508
4276-24-9.

From

Rajakaryaprasakta
M. N. KRISHNA RAO, Esq., B. A.,
Financial Secretary to the Government of His Highness the Maharaja of Mysore.

To

A.V.Ramanathan, Esq., B.A.,
President, District Board,
MYSORE.

Sir,

With reference to correspondence ending with your letter No.C.1524/L.B.M-23 dated 20th January 1925, I am directed to state as follows :-

(1) Government have no objection to advance money to their employees for subscribing to the loan.

(2) Government cannot take the benefit of the discount of one per cent as it ought to go to the subscribers.

(3) As Government have to keep the loan accounts of such of their employees as subscribe to the loan the arrangement entails additional work on the Comptroller's office and it is therefore reasonable that the District Board should pay for the extra establishment which the Government have to sanction for keeping these loan accounts

(4) If Government charge 7 per cent there is no inducement to the subscribers to invest in the Loan. To charge ½ per cent more-7 per cent as proposed by the President instead of 6½ at which - Government have agreed to lend for this purpose is no compensation to Government for keeping the loan accounts.

(5) Once the bonds are purchased, their value should be held at the disposal of the Board for meeting the construction outlay on the line. A particular part of the loan cannot be held separately

P.T.O.

and made available as suggested in your letter.

For the foregoing reasons it is inconvenient to work the arrangement on the lines proposed by you. If the District Board accept the conditions already communicated to you in this office letter No.Fl.4071/G.P.74-24-8 dated 16th January 1925, arrangements will be made to lend money to Government employees for subscribing to the loan.

I have the honour to be,

Sir,

Your most obedient servant,

9.2.25

Fair dft for Financial Secretary to Government.

Fl 4509 D 9.2.25

Copy to (1) Comptroller to Govt
(2) L.L. Scott

nk.4.